

Message Text

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71

ORIGIN EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 PRS-01 SP-02 OMB-01 NSCE-00

SSO-00 USIE-00 INRE-00 AF-08 ARA-06 EA-07 NEA-10

OIC-02 /133 R

DRAFTED BY EB/OT/TA:TFO'HERRON:STR:JSTARKEY:STMCP

APPROVED BY EB/OT/TA:GLSTREEB

EB/ITP:WGBARRACLOUGH

EB/OFD:FMCELDOWNEY

TREASURY:JRAY

USDA:GFRAZER

EUR/RPE:JMCCARTHY

COMMERCE:DSCHLECTY

LABOR:DWANNAMAKER

EB/OT/GCP:RLANDERS

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FM SECSTATE WASHDC

TO USMISSION GENEVA IMMEDIATE

INFO USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS:ETRD, GATT, EC

SUBJECT: U.S. STATEMENT TO GATT COUNCIL ON MIPS AND
SURETY/LICENSE SCHEMES OF EEC.

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REF: STATE 91669

US DEL SHOULD MAKE FOLLOWING STATEMENT AT GATT COUNCIL
APRIL 27 UNDER AGENDA ITEM ON EC'S MINIMUM IMPORT PRICES
AND SURETY/LICENSE REQUIREMENTS FOR CERTAIN PROCESSED
FRUITS AND VEGETABLES:

BEGIN TEXT. MR. CHAIRMAN, THE U.S. HAS HELD BILATERAL
CONSULTATIONS WITH THE EC UNDER ARTICLE 23:1 WITH REGARD
TO THE EUROPEAN COMMUNITY'S DECISION TO IMPLEMENT A SYSTEM
OF IMPORT LICENSES AND SURETY DEPOSITS FOR CERTAIN PROCESS-
ED FRUITS AND VEGETABLES. THE IMPORT LICENSE/SURETY
DEPOSIT SCHEME WAS IMPLEMENTED ON OCTOBER 1, FOR CANNED
GREEN BEANS, PRESERVED RASPBERRIES, CANNED MUSHROOMS,
CANNED PEACHES, AND CANNED PEAS, AND WILL GO INTO EFFECT IN
1978 FOR DRIED PRUNES. THE U.S. HAS IMPORTANT TRADE INTER-
ESTS IN SEVERAL OF THESE PRODUCTS.

IN ADDITION ON SEPTEMBER 1, 1975 THE EC INTRODUCED A
MINIMUM IMPORT PRICE REGIME FOR TOMATO CONCENTRATES WHICH
INVOLVES LICENSING AND TWO SURETY DEPOSITS. THE
ADDITIONAL SURETY DEPOSIT IS REQUIRED TO ENSURE THAT THE
MIP IS RESPECTED. COMMUNITY REGULATIONS PROVIDE FOR
DISCRIMINATORY APPLICATION OF THE MINIMUM IMPORT PRICE,
AND ALLOW THE ADDITIONAL SURETY DEPOSIT TO BE WAIVED FOR
IMPORTS FROM COUNTRIES WHICH GUARANTEE TO OBSERVE THE
MINIMUM PRICE.

IN THE VIEW OF THE U.S. GOVERNMENT, THESE MEASURES ARE
INCONSISTENT WITH THE COMMUNITY'S OBLIGATIONS UNDER THE
GATT, AND NULLIFY AND IMPAIR IMPORTANT U.S. GATT BINDINGS
ON A NUMBER OF THE PRODUCTS COVERED. THEY ADDITIONALLY
RESULT IN CONSIDERABLE MARKET UNCERTAINTY AS WELL AS AN
ADMINISTRATIVE AND FINANCIAL BURDEN FOR U.S. TRADE.

WE BELIEVE THAT THE INTRODUCTION OF MINIMUM IMPORT PRICES
BY THE EUROPEAN COMMUNITY IS A PARTICULARLY DISTURBING
STEP. IN OUR VIEW MIPS ARE TOTALLY CONTRARY TO THE LETTER
AS WELL AS THE SPIRIT OF THE GATT. IN THIS INSTANCE THE
PRINCIPLES INVOLVED SHOULD BE THE OVERRIDING CONCERN-
THE QUESTION OF PRESERVING THE INTEGRITY OF THE GENERAL
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AGREEMENT.

MR. CHAIRMAN, THE U.S. CONTINUES TO BELIEVE IN THE
DESIRABILITY OF RESOLVING MATTERS OF THIS NATURE THROUGH
BILATERAL CONSULTATIONS. IF, HOWEVER, BILATERAL RESOLUTION
OF THIS ISSUE PROVES IMPOSSIBLE IN THE NEAR FUTURE THE
U.S. FULLY INTENDS TO SUBMIT THE MATTER TO THE CONTRACTING
PARTIES UNDER ARTICLE XXIII:2 OF THE GENERAL AGREEMENT.

END TEXT. SISCO

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Message Attributes

Automatic Decaptioning: X
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Margaret P. Grafeld
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